

BEFORE THE FEDERAL ELECTION COMMISSION SECRETARIAT

OCT 1 3 11 PM '97

In the Matter of

National Republican Senatorial Committee
Stan Huckaby, as treasurer

MUR 4378

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 17, 1997, the Commission found reason to believe that the National Republican Senatorial Committee and Stan Huckaby, as treasurer, ("NRSC") violated 2 U.S.C. §§ 441a(f), 434(b) and 441b, and 11 C.F.R. § 102.5(a) by having exceeded the limitations on coordinated party expenditures established at 2 U.S.C. § 441a(d), by having failed to report such expenditures, and by having used non-federal accounts containing impermissible funds to make a portion of these expenditures. The expenditures at issue were for television and radio advertisements broadcast in Montana in April and May, 1996 which were critical of U.S. Senator Max Baucus, at that time a candidate for re-election. The Republican nominee for the U.S. Senate as of the June 6, 1996 primary election was then-Lt. Governor Dennis Rehberg.

The Factual and Legal Analysis sent to the NRSC stated, as a basis for the Commission's determination that the Section 441a(d) limitation had been exceeded, that the language of the advertisements constituted electioneering and that there was evidence that the expenditures had been coordinated with the Rehberg campaign. Subpoenas for documents and orders to submit written answers were issued to the NRSC and to

Montanans for Rehberg and Dennis Rehberg; in addition, subpoenas for depositions were issued to Dennis Rehberg and to persons to be designated by the NRSC.

Montanans for Rehberg has submitted responses to the subpoena for documents and provided written answers. Mr. Rehberg's deposition was taken on September 19, 1997. The NRSC has submitted written answers and, after receiving extensions of time, is scheduled to produce the subpoenaed documents on September 29, 1997. This Office is in the process of scheduling depositions of one or two knowledgeable NRSC representatives.

During his deposition, Mr. Rehberg acknowledged that he personally had contact with NRSC representatives on several occasions before and during the period that the advertisements at issue were being run. He denied, however, that he had any discussions with NRSC personnel about the advertisements themselves, asserting that he learned about content and timing only after the fact and that the advertisements were in actuality detrimental to his campaign.

According to Mr. Rehberg's testimony and documents supplied by his committee, day-to-day contacts between his Senate campaign and the NRSC were handled by a Washington, DC consulting firm, the Eddie Mahe Company. The individuals at this firm active on behalf of the Rehberg campaign were Ladonna Y. Lee and Eddie Mahe; of these two persons it appears from the documents that Ms. Lee was the one with the most direct involvement. Therefore, in order to verify Mr. Rehberg's testimony and to address questions about which he did not have personal knowledge, this Office recommends that

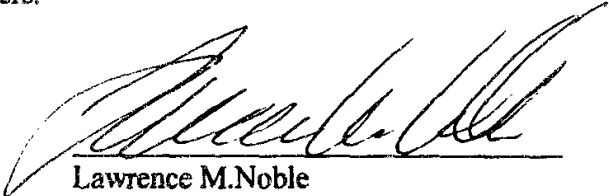
the Commission authorize subpoenas for depositions to be issued to Ms. Lee and to Mr. Mahe, with the understanding that Ms. Lee's deposition alone may be sufficient.

II. RECOMMENDATIONS

1. Authorize the attached subpoenas for depositions to be sent to Ladonna Y. Lee and Eddie Mahe.
2. Approve the appropriate letters.

Date

9/30/97


Lawrence M. Noble
General Counsel

Attachments

Subpoenas for Depositions (2)

Staff Assigned: Anne Weissenborn